GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4332
ANSWERED ON:19.05.2006
CREDIT CARDS TO LABOURERS
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Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal to issue credit cards to labourers and persons belonging to low income group;

(b) if so, the details thereof;

(c) whether there is any proposal to provide facility of loan on these credit cards;

(d) if so, the details thereof; and

(e) the new scheme launched by banks in rural areas?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (e) Reserve Bank of India has issued a circular on 27th December, 2005 on guidelines for the General Credit Card (GCC) Scheme for issuing Credit Card to their constituents in rural and semi urban areas. The objective of the scheme is to provide hassle-free credit to banks` customers including the labourers and persons belonging to low-income groups, without any insistence on security, purpose or end use of the credit. As per the Scheme, the total credit facility for an individual should not exceed Rs. 25,000/-, and women beneficiaries are to be given a preferential treatment. The GCC holder will be entitled to draw cash from the specified branch of the bank upto the sanctioned limit. Further, to provide hassle-free credit, to reduce the cost of borrowings and to bring down borrowings by farmers from informal sources like money-lenders etc., the scope of Kisan Credit Card (KCC) Scheme has been widened to cover other reiated purposes like term loans/ working capital for agriculture and allied activities including a component for consumption needs, besides the short-term credit requirements of the farmers. Now the scheme also covers all eligible tenant farmers, oral lessees and share croppers.